

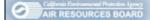
Summary of Draft Proposal

- Requires use of low sulfur MGO/MDO in oceangoing ship auxiliary engines
- Applies to ships at dockside or in California Coastal Waters
- Includes generators in diesel electric vessels, but excludes other propulsion engines, and turbines



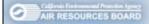
Removed Frequent Visitor Provisions

- Removed requirements specific to vessels that stopped at CA ports 5 or more times annually
 - Provisions require more time to craft than clean fuel provisions
 - Will develop separately for Board consideration in 2006



Cleaner Fuels Provisions

- Revised implementation dates
 - -0.2% sulfur distillate on July 1, 2006
 - -0.1% sulfur distillate on Jan 1, 2010
- Allows use of marine diesel oil (MDO) meeting sulfur limits
- Vessel owners can apply for extensions



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Provision for Vessels Requiring Modifications

- For vessels requiring significant modifications to comply with rule
- Vessel owners can apply for up to a six month extension to 7/1/06 fuel limits
- Application must include:
 - detailed description of modifications necessary to comply with the rule
 - estimated cost and time to complete

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Record-keeping, Reporting, and Monitoring

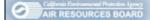
- Report time/date/location during start and finish of fuel switching operations & entrance/exit in CCW
- Report types and % sulfur of fuels used in auxiliary engines in CCW
- Report types, amounts, and % sulfur of fuel purchases



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Record-keeping, Reporting, and Monitoring (Cont'd)

- Provide record-keeping specified in rule to ARB upon request
- Provide access to vessel for inspection of records, or collection of fuel samples for testing



Alternative Compliance Plan (ACP) Revisions

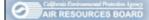
- Averaging under the ACP limited to auxiliary engines
 - Cannot count main engine reductions toward compliance with auxiliary engine rule
 - Addresses concerns about reduced emission reductions at dockside

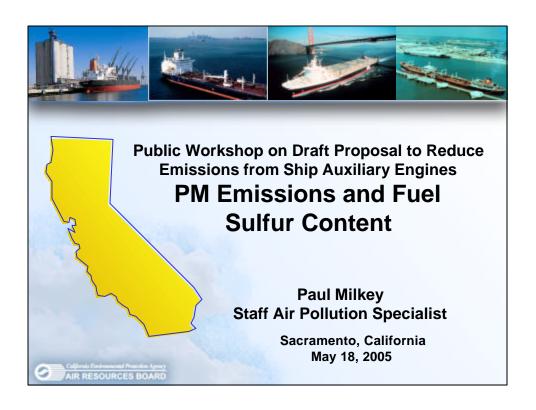


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Definitions and Test Methods

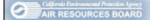
- New definitions added
 - ASTM, ISO, Innocent passage, marine diesel oil, roadstead
- Test methods to be included on finalization of ISO 8217



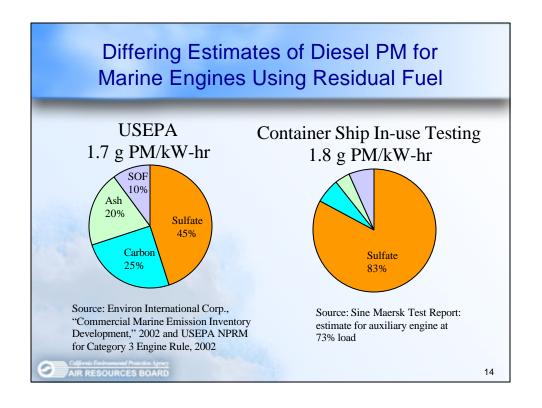


PM Emissions versus Sulfur Content

- Sulfur in fuel is converted to SOx, and to a lesser extent, sulfate (PM)
- Estimates of sulfate PM formed from the fuel sulfur vary based on the % conversion of sulfur to sulfate (~2-5%)
- We estimate that each 0.1% sulfur increase, raises sulfate PM by 0.03-0.06 g/kw-hr (with a 2-4% conversion rate)



	missions (s % Fuel S	,			
Fuel Sulfur (% by wt.) 0.1	Sulfate (low-end)	Sulfate (high-end) 0.06			
0.2	0.06	0.12			
0.5	0.15	0.30			
1.0	0.3	0.6			
2.7	0.8	1.6			
* low & high end estimates using	g 2% & 4% sulfur to sulfate co	onversion rates, respectively	13		



Estimated PM Emission Reductions from Fuel Change

- USEPA and Entec Report emission factors estimate 63% PM reduction
- Other data indicates reduction on the order of 80%
- Testing on container ship auxiliary engine using residual and distillate fuels forthcoming





Potential Ship Modifications and Estimated Costs

- Ship survey identified vessels requiring retrofits (20% of vessels)
- Potential modifications reported
 - Adding tanks and piping, mixing tanks, fuel coolers, purifiers
 - Modifications to fuel pumps,
 injectors, nozzles, lubrication systems
 - -Class society approvals & inspections

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Estimated Costs of Modifications

- USEPA \$50,000
- Follow-up with companies to estimate cost of modifications
- One respondent \$350-500,000
- Key factors: type of modifications required, country where work performed, dry dock dates

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Proposal to Accommodate Vessel Modifications

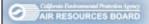
- Provision allows operators to apply for an extension of up to six months if significant vessel changes required
- Applications must include detailed descriptions of the modifications necessary and estimated costs





Survey Summary

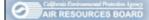
- Ship survey mail out in Dec. 2004
- Due date February 28, 2005
- Survey information necessary
 - Develop ship auxiliary engine rule
 - Update the ship emissions inventory
 - Feasibility study of shore-side power



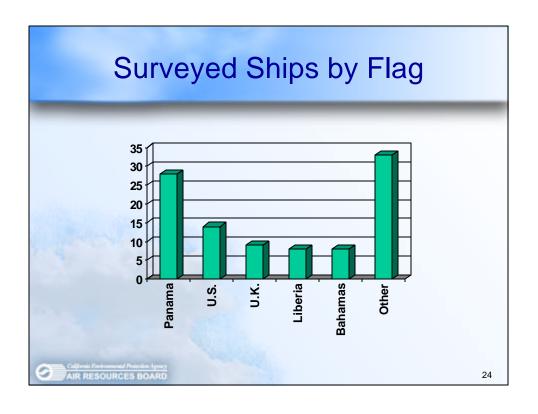
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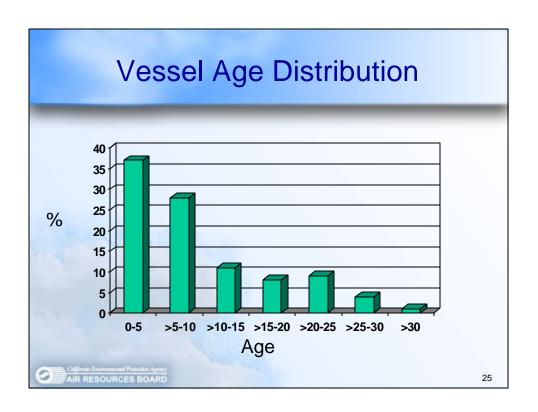
Survey Summary

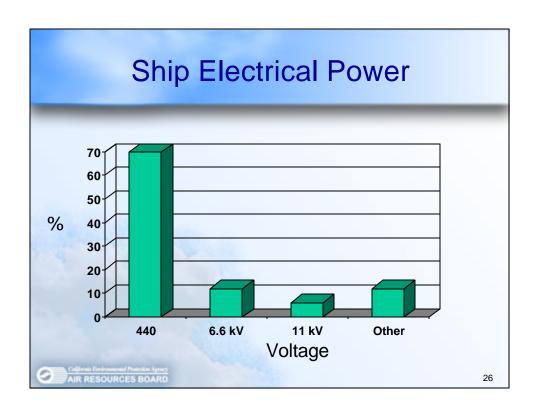
- 36 companies responded out of a total of 150 owner/operators and shipping agents (as of 4/12/05)
- 327 vessels reported (CSLC reported ~1900 vessels in 2004)
- Over 1,400 engines reported
- Still encourage submittals



		onse l essel 1		
Vessel	No. of	% by #	CSLC %	CSLC %
<u>Type</u> Container	Ships 180	Ships 55%	Visits 49%	# Ships 31%
Auto	69	21%	8%	12%
Cruise	41	13%	7%	2%
Tanker	21	6%	19%	19%
Other	16	5%	17%	36%
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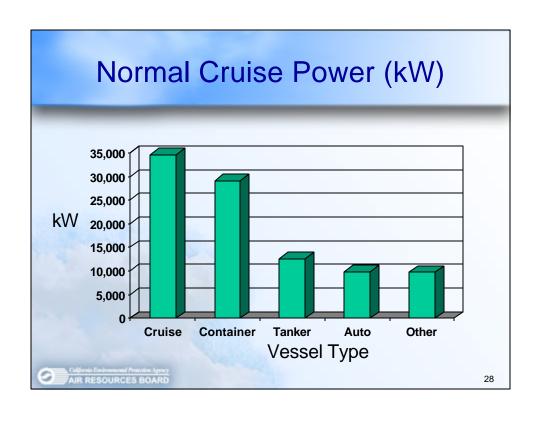


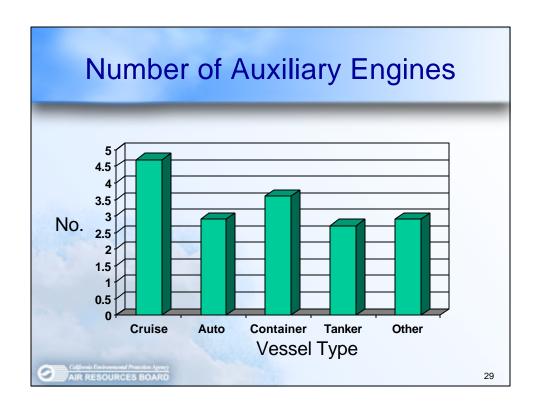


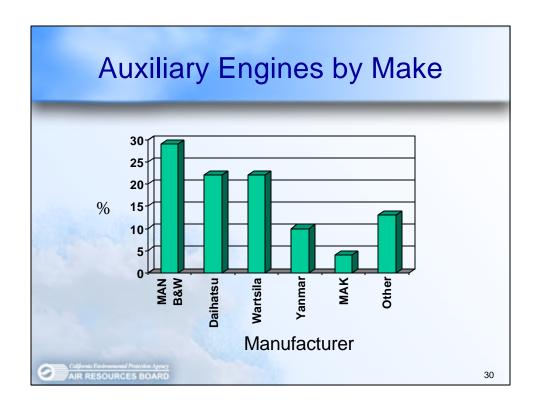
Main Engine Data

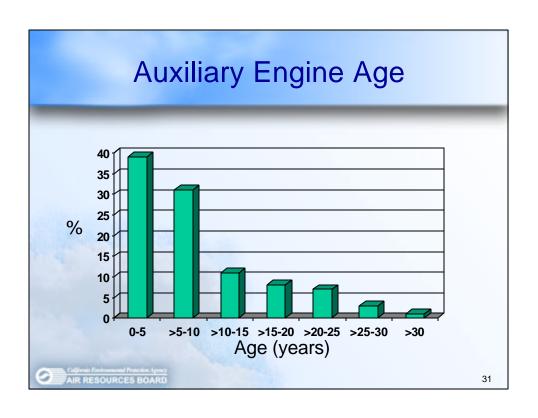
- 97% piston engine, 3% turbines
- 95% two-stroke, 5% four-stroke
- Mostly manufactured by MAN B&W and Sulzer/Wartsila
 - Other mfgs. may be under license from MAN B&W or Wartsila
- 99% use residual fuel











F	uels Us	sed in Au	uxiliary	Engines
	Fuel Type	No. of Engines	% of Total	% Sulfur in Fuel
A	Residual	881	78%	2.5%*
	Distillate	249	22%	0.5%*
Ž	* Excludes data re	ported at ISO maximu	ım, and fuels used in	n turbine engines.

